



City of Colorado Springs
Summary of Recommended Investment Policy Updates

Investment Policy Updates Related to State Statute Language:

- Authorized Securities and Transactions - Page 3, second paragraph: Remove municipal bonds from 50% aggregate credit exposure limit which is not required by state statute. This reference is also removed from the Authorized Investment Summary footnote on page 11.
- Authorized Securities and Transactions - Page 4, first paragraph: Add statutory language regarding the application of credit ratings and apply to all investment types.
- Authorized Securities and Transactions - Page 5 – 6, Items 4 – 8: Add minimum ratings in the event a security is rated by all three rating agencies referenced in the investment policy.
- Authorized Securities and Transactions - Page 5, Commercial Paper: Delete minimum issuer size language which is not required per state statute.
- Authorized Securities and Transactions - Page 6, Eligible Bankers Acceptances: Delete minimum capital requirement language which is not required by state statute.
- Authorized Securities and Transactions - Page 6, Money Market Mutual Funds: Delete reference to the City's investment policy requirements for authorized investments by the money market funds, which is not required by state statute. List repurchase agreements as an authorized investment.
- Authorized Investment Summary – Page 11: Add 5% aggregate exposure limit per issuer for corporate bonds, negotiable certificates of deposit, commercial paper and bankers acceptances per state statute.

Investment Policy Updates Related to the Combination of Reserve and Operating Portfolios

- Scope - Page 1: Delete language allowing managers to establish separate guidelines; flexibility retained with language in this paragraph which excludes certain funds from guidelines.
- Authorized Securities and Transactions - Page 3, second paragraph: Delete reference to multiple portfolios as reserve and operating portfolios have combined.



Investment Policy Updates for Clarification

- **Authorized Securities and Transactions - Page 3, opening paragraph:** Delete language pertaining to statutory updates; in the event of a change in state statute guidelines, related policy changes would be brought to council for approval before portfolio action.
- **Authorized Securities and Transactions - Page 3, second paragraph:** Delete language related to bonds with a put option as this security structure is extremely uncommon in universe of authorized investments.
- **Authorized Securities and Transactions - Page 4, first paragraph:** Move statutory language prohibiting the purchase of subordinated securities from Item 2. Federal Agency and Instrumentality Securities; apply to all investment types.
- **Authorized Securities and Transactions - Page 4, Federal Agency and Instrumentality Securities:** Delete list of specific agency issuers as issuers are referenced in body of paragraph.
- **Authorized Securities and Transactions - Page 4, second paragraph:** Move remedy language in the event of a rating downgrade from the end on this section.
- **Authorized Securities and Transactions - Page 5, Municipal Bonds:** Delete reference to pre-refunded municipal bonds as security type is covered by municipal bond language. This reference is also deleted in the Authorized Investment Summary table on page 10.